

Drug Intelligence Brief



DRUG ENFORCEMENT ADMINISTRATION
INTELLIGENCE DIVISION

April 2000

EL SALVADOR—COUNTRY BRIEF



DEA Office Responsible	San Salvador, Country Office
Population	5,870,481 (July 1995)
Area	21,041 square kilometers (8,124 square miles)
Capital	San Salvador
Type of Government	Constitutional Republic

Salvadoran Top Government Officials

President	Francisco Flores
Vice President	Carlos Quintanilla Schmidt
Interior Minister	Mario Acosta Oertel
Minister of National Defense	General Juan Antonio Martinez Varela

HISTORICAL COMMENT

El Salvador's two main political forces currently are the right-wing *Alianza Republicana Nacionalista* (ARENA) and the *Frente Farabundo Martí de Liberación Nacional* (FMLN), which was legalized as a political party when the civil war ended. ARENA was created when El Salvador's far right re-organized into a single political party in the early 1980s. ARENA, after losing El Salvador's first free presidential election against moderate Jose Napoleon Duarte in 1984, became the dominant political party in El Salvador in the late 1980s when the Duarte Administration failed to improve conditions in the country. El Salvador's third ARENA President, Francisco Flores, was elected in May 1999 to succeed Dr. Armando Calderon Sol. Flores proved to be a surprisingly strong candidate for ARENA, which had lost popularity under Calderon Sol. However, Flores' victory also partly resulted from lack of organization within the FMLN and the leftist party's inability to break with its guerrilla past by choosing a presidential candidate who had been a guerrilla fighter. The general electorate was apathetic during the election, with crime and economic conditions the primary issues motivating Salvadorans who voted.

Ending the civil war did not bring peace to El Salvador. After the soldiers and guerrilla fighters were demobilized, El Salvador's crime rate rose dramatically, to the point that street crime is now a major concern for average civilians. Gang activity in urban areas increased during the late 1990s, in some cases, brought in by youths who had returned from the United States and organized urban street gangs similar to gangs in large U.S. cities. El Salvador's over-population problem worsened between 1980 and 1999. The population increased throughout the 1980s and 1990s, but the civil war and growing crime problem hindered economic development that could have provided employment. A further hindrance to economic development was the damage caused by Hurricane Mitch in 1998. While the press coverage of storm damage in El Salvador did not compare to coverage of damage in Honduras, crop losses and infrastructure damage in eastern El Salvador were extensive and resulted in higher unemployment.

OVERVIEW

El Salvador is a transit country, mainly for cocaine. The country is located strategically on the Pacific Coast of Central America along the Pan-American Highway and connects Guatemala to Honduras and Nicaragua. Drug traffickers smuggle cocaine and heroin from South America through El Salvador to markets in North America and Europe. Traffickers primarily use the Pan-American Highway to smuggle cocaine overland from Panama through El Salvador to Guatemala and Mexico. Drug traffickers also use Salvadoran territory for air drops and maritime transportation. Drug seizure statistics, which are low in El Salvador when compared to the rest of Central America, do not reflect the amount of cocaine that actually crosses the country. Salvadoran producers do not cultivate coca leaves or opium poppies. The small amount of marijuana produced is for local consumption.

Colombian drug traffickers control most of the cocaine shipped through El Salvador. In the past, Salvadoran nationals worked as middlemen in the drug trade, but, in many cases, they have been replaced by members of Colombian organizations who are present in El Salvador to oversee the transshipment and smuggling operations into and through the country.

Controlled pharmaceutical chemicals such as ephedrine, legally imported by Salvadoran companies, are diverted to clandestine laboratories in Mexico and Colombia. In 1997, the National Civilian Police (PNC) developed a chemical control unit, which is assigned to the Anti-Narcotics Division (DAN).

Drug Seizures in El Salvador 1991 - 1999 (kilograms)

	1991	1992	1993	1994	1995	1996	1997	1998	1999
Cocaine	3,150 ¹	207	8,163 ²	483	67	100	232	52	28
Heroin	N/A	N/A	N/A	N/A	0.20	0.50	0.02	0.7	1.0
Marijuana	73	2.41	1.73	160	162	675	947	262	925
Cannabis Plants	N/A	N/A	N/A	N/A	N/A	N/A	3,776	7,338	4,691
Crack	N/A	N/A	N/A	N/A	N/A	0.18	.055	3.14	12.3
Drug Arrests	235	217	315	429	N/A	915	724	746	993

¹ DEA supported Salvadoran officials in a 2,900-kilogram seizure of cocaine in Acajutla

² Salvadoran officials seized nearly 6,000 kilograms of cocaine in San Salvador

Source: DEA San Salvador Office

CULTIVATION AND PRODUCTION

There is no cultivation of coca leaves or opium poppies. Small amounts of cannabis are cultivated in El Salvador, on small plots along the northern border with Honduras. The marijuana produced is primarily for

local consumption, and has a THC content ranging between 1 and 2 percent. Higher quality marijuana, cultivated in Guatemala, is smuggled into El Salvador for sale on the local market.

CHEMICALS

El Salvador does not produce controlled chemicals. However, traffickers may be using El Salvador for the transshipment of essential chemicals used in the processing of cocaine and heroin to Colombia. Chemicals usually are trucked into El Salvador from Guatemala and Honduras. Weak governmental controls and lack of enforcement efforts both along the highways and at border crossings enhance the opportunities for traffickers to move chemicals overland through El Salvador for eventual shipment to clandestine cocaine HCl processing laboratories in Colombia.

In 1997, the PNC developed a chemical control unit, which is assigned to the DAN. The DAN and the Health Ministry operate the chemical control program in El Salvador, and the DAN works jointly with the Attorney General to implement and enforce regulations for chemical control. The chemical control unit discovered several companies in 1998 that were not able to account for several metric tons of chemicals and solvents, and issued fines to the violators.

DRUG TRAFFICKING TRENDS

The majority of the cocaine and heroin transiting El Salvador is controlled by Colombia based drug groups that are supported by Salvadorans and Colombians living in El Salvador. Trafficking organizations have the capability to transport multihundred kilogram amounts of cocaine overland or via coastal waters to Guatemala and Mexico for further transshipment to U.S. and European markets. Mexican trafficking groups also are present in El Salvador.

Trafficking organizations often base their operations where they can operate in seclusion. Preferred locations include *haciendas* (farms) in the remote Salvadoran countryside and in small villages. Large quantities of cocaine may be temporarily stored at these locations and then secreted in cargo shipments and tractor-trailer trucks for shipment northward.

Cocaine seizures in El Salvador are much smaller than seizure totals in neighboring countries such as Guatemala. While the level of cocaine trafficking is higher than the seizure totals indicate, the fact that El Salvador does not have a Caribbean coast may provide a structural basis for a lower level of overall trafficking through the country. There is continuing evidence that many regional trafficking routes in the eastern Pacific bypass El Salvador entirely.

A significant portion of the cocaine and heroin transiting El Salvador comes overland from Panama via the Pan-American Highway, in loads ranging from a few kilograms hidden in cars to multihundred-kilogram shipments hidden in secret compartments in cargo containers carried by tractor-trailers. The cocaine is smuggled primarily to Guatemala and Mexico for onward shipment to the United States, although local consumption has been growing over the past few years. Heroin is smuggled directly into the United States by couriers aboard commercial airlines.

Maritime drug trafficking in El Salvador poses a growing threat to the region. Trafficking organizations use the Salvadoran seaports of Acajutla and La Union to take advantage of the large volume of legitimate commercial traffic entering and exiting the country at those ports. The Port of Acajutla offers several advantages that drug traffickers can exploit to facilitate their smuggling operations. Located only 35

kilometers from the Guatemalan border, the port is connected by a highway system to three crossing points into Guatemala. Trafficking organizations use both commercial maritime vessels and speedboats to smuggle cocaine from El Salvador to the west coast of Mexico and California. Containerized cargo, either heavy, bulky commodities or highly perishable items, such as seafood, is the favored method of concealment for smuggling large quantities of cocaine into and through El Salvador, although traffickers also secret cocaine within the ship itself. Using “go-fast” boats, traffickers transport shipments from both mother ships and from air drops to El Salvador’s mainland.

The Gulf of Fonseca, which is shared by El Salvador, Honduras, and Nicaragua, has been a traditional smuggling route for many years, and during the 1980s played a vital role for arms smuggling between El Salvador and Nicaragua. Maritime smuggling during the 1990s shifted from weapons to drugs. The Salvadoran Island of Meanguera, which is located halfway between Nicaragua and mainland El Salvador, is a center for drugs and weapons smuggling, as criminal groups seek to avoid law enforcement efforts along the Pan-American Highway. Hampering law enforcement efforts to interdict cocaine shipments transiting the Gulf of Fonseca is the lack of coordinated patrols by the three countries sharing the gulf, as well as the lack of nighttime patrolling. Also hampering efforts to detect cocaine shipments are the numerous small boats in the area from all three countries, which allow drug traffickers to “hide in plain sight” as they cross the gulf.

According to DEA reporting, during the first half of 1999, traffickers relied increasingly on go-fast boats due to the extensive damage to sections of the road in Honduras and Nicaragua along the Pan-American Highway that resulted from Hurricane Mitch in late 1998. The DEA expected the increase in trafficking by go-fast boats in the eastern Pacific to subside after the highway was repaired completely. In 1999, however, operations using go-fast boats in the eastern Pacific were replaced by the increased use of mother ship operations and seagoing fishing vessels.

Intelligence reporting indicates drug traffickers may be using small single-engine and twin-engine aircraft to transport cocaine to clandestine airstrips on the coast of El Salvador, although the use of general aviation declined in the late 1990s. Planes fly along the Pacific Corridor approach from Colombia and land on several unmonitored airstrips located on El Salvador’s Pacific coast near the Pan-American Highway, especially rural areas in the eastern Departments of La Union and San Miguel. In order to avoid detection, the majority of these flights occur at night. Sources report sightings of aircraft making air drops at night to small boats off the southern coast near La Libertad.

Small quantities of cocaine and heroin are smuggled through El Salvador on commercial aircraft via couriers. Well-organized trafficking groups are increasingly using couriers, or “mules,” to move small quantities of heroin and cocaine through airports, especially San Salvador’s Comalapa International Airport. The “mules” either carry drugs hidden in luggage or they ingest capsules containing heroin or cocaine.

Riverine transportation of drug shipments does not appear to be a major threat in El Salvador, partly because the only two major rivers in El Salvador flow to the south and do not cross any borders that would make them attractive as smuggling routes.

Distribution of crack cocaine within El Salvador is handled by several Salvadoran gangs dealing in illegal drugs in urban areas. Local Salvadoran gangs were loosely organized in the past, but recently have become more sophisticated and more violent as Salvadoran gang members have copied the operations of gang organizations in the United States. Many Salvadoran gang members have ties with gang members

in the United States, particularly in California. As Salvadoran gang members in the United States have been deported as undesirable aliens, a high level of criminal sophistication is transferred to Salvadoran society, manifested through acts of crime and delinquency.

PRICES

In 1998, the price of a kilogram of cocaine in El Salvador ranged from US\$5,000 to US\$7,000. A single gram of cocaine sold for about US\$15. Purity levels for cocaine hydrochloride (HCl) range from 82 percent to 93 percent. "Crack" cocaine, which appeared in large quantities for the first time in 1998, sold for US\$3 per rock. A pound of marijuana sold for US\$80, and an ounce of marijuana sold for US\$2.50 in 1998.

DRUG ABUSE

Illegal narcotic substances continue to be readily available to the citizens of El Salvador. Consumers can obtain cocaine and marijuana easily throughout the country. One result of the increase of cocaine trafficking, gang activity, and poverty throughout Central America has been the increased use of crack cocaine among urban youth. San Salvador, in particular, has a serious crack cocaine problem, and crack sellers operate with impunity in front of schools. The increased use of crack in San Salvador has added to a general high crime rate, making the capital one of the most dangerous cities in Latin America.

The Drug Abuse Resistance Education (DARE) program celebrated its fourth anniversary in 1999. DARE operates through DAN's demand reduction unit. The locally based demand reduction and rehabilitation program, FUNDASALVA, participated in the inaugural drug demand reduction academy course in New Mexico. Drawing from that experience, they crafted a new national drug demand reduction plan, which will form the basis for a public-private partnership on this issue.

MONEY LAUNDERING

The extent of the money laundering problem in El Salvador is unclear, but clearly is present. Money laundering occurs in both the banking and the nonbanking financial systems, with estimates ranging in the millions of dollars. El Salvador's proximity to Colombia and its close economic and social ties between the United States and the Central American community are attractive features. Salvadoran and Colombian drug traffickers are utilizing local courier services as one method to transfer dollars to and from the United States.

Casinos in San Salvador and in provincial capitals multiplied during 1999, causing controversy in the country and requests from community and religious leaders to restrict them by mid-year. Some of the casinos were relatively small operations that concentrated on slot machines and other types of wagers, operating with little regulation from the government, and providing opportunities to launder moderate amounts of cash.

Implementation of anti-money laundering legislation, passed in 1998, progressed during 1999, with the establishment of a Financial Investigation Unit (FIU), which was created with the assistance of the United States. The 1998 law was expected to severely restrict money laundering, which was considered a problem that was beginning to become evident in El Salvador.

COUNTERDRUG ENFORCEMENT

The DAN has primary responsibility for drug interdiction and eradication operations. It is comprised of approximately 275 agents and is headquartered in San Salvador. The DAN maintains offices at San Salvador, Santa Ana, San Miguel, and the Port of Acajutla, with posts of duty at the border crossings of Las Chinamas and El Amatillo. The police canine detection program has 13 drug dogs at strategic points throughout the country. The canine training in EL Salvador was considered one of the best in Central America, but during 1999 the program yielded disappointing results. The PNC air wing has focused on the eradication of local cannabis fields, destroying 7,427 plants in 1998 compared to 3,776 plants in 1997.

The PNC-DAN celebrated its seventh anniversary in March 2000. However, with the exception of manpower, the DAN does not have the resources needed to pursue major interdiction operations. While there is improvement in the DAN overall, effective law enforcement is a slow learning process, and many investigations are dismissed for lack of evidence or illegally obtained evidence. Furthermore, the Salvadoran Government's efforts to interdict drug trafficking were hampered during 1999 by the implementation of broad reforms to the criminal justice system, which went into effect in April, 1998. The reforms led to confusion concerning the legal and operational relationship among law enforcement officers, prosecutors, and judges. Specifically, a Salvadoran Government interpretation of the new criminal codes to prohibit undercover police operations has inhibited counternarcotics efforts.

The Salvadoran DAN continues to struggle with building itself into an effective investigative unit. The DAN currently does not have the capability to do in-depth, intense, high-level investigations, partly because of its highly centralized structure, in which large numbers of subordinates support a few lead investigators. The DAN also is hampered by a lack of money, equipment, training, and vehicles, but does have adequate personnel. The DAN totaled 277 members in 1999.

While the Salvadoran Army has no responsibilities for actions regarding drug law enforcement, the army has assisted the PNC in ground patrols in rural areas in attempts to curb criminal activity in these remote areas. The PNC initiates requests for assistance that must be cleared and approved by the highest levels of government.

LEGISLATION, TREATIES, CONVENTIONS

The Salvadoran Legislative Assembly followed up its ratification of the Central American Convention Against Money Laundering by taking preliminary steps to pass anti-money laundering legislation on December 2, 1998. The law had a 6-month implementation phase, during which the United States provided technical and material assistance to El Salvador to establish a FIU and to train elements in the criminal justice system involved in prosecuting money laundering cases. The 1998 law requires all financial institutions, all currency exchange institutions, real estate firms, local shipping companies, construction companies, and hotels to report any irregularities in deposits and any transaction greater than US\$57,000 to the FIU. The FIU will have unlimited access to bank deposit and money transaction records for all of El Salvador's financial institutions for the past 5 years.

The Government of El Salvador has expressed a willingness to negotiate a modern extradition treaty to replace an agreement dating to 1911. However, the Salvadoran Constitution currently bans the extradition of Salvadoran nationals.

The United States Embassy is assisting the DAN in developing the Joint Information Coordinating Center (JICC). This is a long-term project that will require additional training and advice. The Narcotics Affairs Section of the Embassy has sponsored several training events and introduced investigative equipment. The DEA periodically assists the DAN by obtaining instructors and sponsoring training events.

CONCLUSIONS/PROJECTIONS

El Salvador's high unemployment and institutionalized violence make the country vulnerable to drug trafficking organizations and other criminal groups, and the country continues to experience a high level of violent criminal activity directed against property and persons. Some of this criminal activity is directly related to organized gang enterprises which have ties to the United States. The increasing consumption and availability of drugs in El Salvador also will have a long-term impact on crime.

El Salvador will continue its status as a transit country for cocaine and heroin destined for international markets, primarily the United States and Europe. Trafficking organizations will continue to smuggle essential chemicals and solvents needed for cocaine HCl production via El Salvador. Traffickers will continue to use the Pan-American Highway, as well as El Salvador's poorly monitored ports and airports, to move cocaine shipments. Drug trafficking via small aircraft, carrying cocaine and heroin from points south, will continue to violate Salvadoran airspace, although air smuggling will be less important than overland and maritime trafficking.

Colombian and Mexican smuggling organizations will continue to expand, consolidate, and solidify their operations throughout El Salvador. Colombian and Mexican traffickers increasingly will use El Salvador for investments in property and businesses in addition to passing large sums of drug proceeds through Salvadoran banking and financial systems, despite the passage of money laundering legislation in 1998.

This report was prepared by the Mexico/Central America Unit of the Office of International Enforcement Support. Comments and requests for copies are welcome and may be directed to the Intelligence Production Unit, Intelligence Division, DEA Headquarters, at (202) 307-8726.